

ENTERED

March 08, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION****IN RE:****PHASE ONE SERVICES LLC,****Debtor.**§
§
§
§
§
§
§**CASE NO: 23-30835****CHAPTER 11****INITIAL ORDER IN SUBCHAPTER V CASE**

Upon the filing of this case under the provisions of Chapter 11, Subchapter V of the Bankruptcy Code, and pursuant to the authority granted the Court by 11 U.S.C. Section 105, the Court orders:

A. The Debtor must:

- (1) **Bank Accounts.** Promptly close all bank accounts maintained on the date of the filing of the petition. The Debtor must open new debtor-in-possession accounts. All funds must be transferred to the new debtor-in-possession accounts. Future deposits are to be made only into the debtor-in-possession accounts.
- (2) **Withholding Taxes; Employees.** Segregate and hold separate and apart from all other funds any and all monies withheld from employees or collected from others for taxes, including social security taxes, under the laws of the United States or any state or subdivision thereof and to deposit, as required by law, all monies withheld from employees for social security and federal income tax withholdings.
- (3) **Withholdings; Others.** Deposit or pay promptly to any state or political subdivision thereof any and all monies required to be withheld or collected from others subsequent to the petition date, on such basis as may be required by the laws or ordinances of such state or political subdivision.
- (4) **Closure of Books; New Books of Account.** Close and preserve its pre-petition books and accounts and open and maintain new books of account showing all income and expenditures, receipts and disbursements of the Debtor during the Chapter 11 proceeding.
- (5) **Pre-petition Debts.** Not pay any debt or obligation incurred prior to the filing of the petition unless payment of such debt is specifically authorized by the Court.
- (6) **Use of Cash Collateral.** Not use "cash collateral" without the consent of the secured party or authorization by this court. All cash collateral is to be deposited in a separate account pending the entry of a court order with respect to its disposition.

- (7) **Ordinary Course of Business.** Not sell, lease, or otherwise dispose of property nor enter into any transaction outside of the ordinary course of business unless specifically authorized by this Court. The Debtor may buy and sell merchandise, supplies and other property in the ordinary course of business necessary and essential for its operation and to render and obtain services.
- (8) **Insurance.** Keep the property of the estate insured at a level equal to the value of such property and shall pay the premiums as due.
- (9) **Monthly Reports.** On or before the 20th day of each month file the Monthly Operating Report for the prior calendar month with the Clerk of this Court in Houston and, in addition, submit one copy to the Houston office of the United States Trustee and one copy to the Unsecured Creditors' Committee. The report shall be filed using Official Form B 425C.
- (10) **Administrative Expenses.** Take all steps reasonably necessary to prevent the incurring of administrative expenses the payment of which will not be possible from funds which can be generated during the proceeding, and shall take all steps necessary to prevent any depletion or potential depletion of property of the estate, and shall immediately advise this Court and the United States Trustee if the continued operation of the business of the Debtor may not be in the best interest of the creditors or the Debtor.
- (11) **Filing of Proposed Plan.** Not later than ninety (90) days after the petition date, file a plan of reorganization pursuant to 11 U.S.C. Sections 1189 and 1190.

B. The debtor in possession, counsel for the debtor in possession, and the Case Trustee, shall appear (in person or virtually) before the undersigned in **Courtroom 404, United States Courthouse, 515 Rusk St., Houston, Texas at 11:00 a.m. on April 20, 2023**, for the purpose of a status conference concerning the actions taken and progress made toward confirmation of a plan of reorganization. Any other party in interest may appear and participate in such status conference. The debtor must file a pre-status conference report at least 14 days before the status conference. The report must detail the "efforts the debtor has undertaken and will undertake to attain a consensual plan of reorganization." 11 U.S.C. § 1188(c).

SIGNED 03/08/2023



Marvin Isgur
United States Bankruptcy Judge